



DEPARTMENT OF ENVIRONMENTAL QUALITY

KATHLEEN BABINEAUX BLANCO

NOV 06 2007

GOVERNOR

MIKE D. McDANIEL, Ph.D.

SECRETARY

Certified Mail # 7004 1160 0003 2558 3779

File No: LA0002887

AI No: 2432

Activity No: PER20070002

Mr. Paul Miller, P. E.
Manager, Waste & Water Quality
Cleco Corporation
2030 Donahue Ferry Road
Post Office Box 5000
Pineville, LA 71361-5000

RE: Draft Major Modification Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0002887, Teche Power Station, located at 237 Newman Street in Baldwin, St. Mary Parish.

Dear Mr. Miller:

Your request received on August 8, 2007 regarding the modification of LPDES permit LA0002887 has been evaluated. The draft modification is as follows:

1. The 316(b) language in Part II, Paragraph J of the permit has been modified.

Attached are the draft revisions to Part II, Paragraph J of the permit (modified pages 2, 2a, 2b, 2c, and 2d of 25) and the modified Title Page for the requested modification. Please note that this is a DRAFT MODIFICATION only. Changes to the 316(b) requirements are effective only upon the receipt of an approved modification from this Office. All other conditions of the permit LA0002887 shall continue unchanged and remain valid until the expiration date of the permit. In accordance with LAC 33:IX.3105.B.2, only those permit limitations and conditions pertaining to the draft modification(s) are open for public comment.

This Office will publish a public notice one time in a local newspaper of general circulation and the Office of Environmental Services Public Notice Mailing List. A copy of the public notice containing the specific requirements for commenting to this draft permit action will be sent under separate cover at the time the public notice is arranged. In accordance with LAC 33:IX.6521.A, the applicant shall receive and is responsible for paying the invoice from the above mentioned newspaper. LAC 33:IX.6521.A states: "...The costs of publication shall be borne by the applicant."

The permit modification fee has been waived for this major modification.

Pursuant to LAC 33:IX.1309.I, LAC 33:IX.6509.A.1 and LAC 33:I.1701, you must pay any outstanding fees to the Department. Therefore, you are encouraged to verify your facility's fee status by contacting LDEQ's Office of Management and Finance, Financial Services Division at (225) 219-3863. Failure to pay in the manner and time prescribed could result in applicable enforcement actions as prescribed in the Environmental Quality Act, including, but not limited to revocation or suspension of the applicable permit, and/or assessment of a civil penalty against you.

ENVIRONMENTAL SERVICES

: PO BOX 4313, BATON ROUGE, LA 70821-4313

P:225-219-3181 F:225-219-3309

WWW.DEQ.LOUISIANA.GOV

Cleco Power, LLC
Teche Power Station
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Should you have any questions concerning any part of the draft modification, please feel free to contact Lisa Kemp, Office of Environmental Services, at the address on the preceding page or telephone (225) 219-3105. To ensure that all correspondence regarding this facility is properly filed, please reference your Agency Interest number 2432 and LPDES permit number LA0002887 on all future correspondence to this Department, including Discharge Monitoring Reports.

Sincerely,



Jesse Chang
Environmental Scientist Manager
Industrial Water Permits

lwk

Attachments: including draft permit and fact sheet:

ec:

Ms. Cheryl LeJeune
Water Permits Division

Ms. Gayle Denino
Financial Services

PCU Coordinator
Office of Environmental Compliance

Public Participation Group
Office of Environmental Assistance

c: IO-W

Ms. Lisa Kemp
Water Permits Division

DRAFT



PERMIT NUMBER

**LA0002887
AI No. 2432**

OFFICE OF ENVIRONMENTAL SERVICES
Water Discharge Permit

Pursuant to the Clean Water Act, as amended (33 U.S.C. 1251 et seq.), and the Louisiana Environmental Quality Act, as amended (La. R. S. 30:2001 et seq.), rules and regulations effective or promulgated under the authority of said Acts, and in reliance on statements and representations heretofore made in the application, a Louisiana Pollutant Discharge Elimination System permit is issued authorizing

Cleco Power, LLC
Teche Power Station
Post Office Box 300
Baldwin, Louisiana 70514

Type Facility: steam electric generating station

Location: 237 Newman Street in Baldwin
St. Mary Parish

Receiving Waters: Charenton Canal (060601)

to discharge in accordance with effluent limitations, monitoring requirements, and other conditions set forth in Parts I, II, and III attached hereto.

This permit and the authorization to discharge were effective on February 1, 2005, and shall expire five (5) years from the original effective date of the permit.

This permit was previously modified on August 1, 2005.

This modification shall become effective on _____

Issued on _____

Chuck Carr Brown, Ph.D.
Assistant Secretary

DRAFT

Part II

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OTHER REQUIREMENTS (continued)

G. 40 CFR PART 136 (See LAC 33:IX.4901) ANALYTICAL REQUIREMENTS

Unless otherwise specified in this permit, monitoring shall be conducted according to analytical, apparatus and materials, sample collection, preservation, handling, etc., procedures listed at 40 CFR Part 136, and in particular, Appendices A, B, and C (See LAC 33:IX.4901).

H. FLOW MEASUREMENT "ESTIMATE" SAMPLE TYPE

If the flow measurement sample type in Part I is specified as "estimate", flow measurements shall not be subject to the accuracy provisions established at Part III.C.6 of this permit. The daily flow value may be estimated using best engineering judgement.

I. PERMIT REOPENER CLAUSE

In accordance with LAC 33:IX.2903, this permit may be modified, or alternatively, revoked and reissued, to comply with any applicable effluent standard or limitations issued or approved under sections 301(b)(2)(c) and (D); 304(b)(2); and 307(a)(2) of the Clean Water Act, if the effluent standard or limitations so issued or approved:

1. Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
2. Controls any pollutant not limited in the permit; or
3. Require reassessment due to change in 303(d) status of waterbody; or
4. Incorporates the results of any total maximum daily load allocation, which may be approved for the receiving water body.

J. 316(b) PHASE II RULE REQUIREMENTS

1. On July 6, 2004, EPA promulgated 'Phase II' regulations in accordance with section 316(b) of the Clean Water Act (CWA). On January 25, 2007, the Second U.S. Circuit Court of Appeals remanded several provisions of the Phase II rule. On March 20, 2007, EPA issued a memo saying, "the rule should be considered suspended". On July 9, 2007, EPA published a Federal Register notice suspending all parts of the Phase II regulations except 40 CFR 125.90(b) [LAC 33:IX.4731.B].

LAC 33:IX.4731.B provides for regulating cooling water intake structures for existing facilities on a case-by-case basis using best professional judgment.

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OTHER REQUIREMENTS (continued)

When EPA re-promulgates the Phase II regulations, the provisions and timelines in the rule will supersede any requirements contained in this permit.

In order to reduce the environmental impact caused by the cooling water intake structure (CWIS), the permittee shall comply with effective regulations promulgated in accordance with section 316(b) of the CWA for cooling water intake structures. The permittee must evaluate the environmental impacts of their CWIS by characterizing the fish/shellfish in the vicinity of the CWIS and assessing impingement mortality and entrainment. Based on the information submitted to DEQ, the permit may be reopened to incorporate limitations and/or requirements for the CWIS.

2. Within six months of the effective date of this permit modification, the permittee must submit a plan to develop the information in item 3. of this section. The plan must be submitted to DEQ for review and approval and must include an evaluation of existing data and/or collection of additional data to support the determination of 'baseline conditions' and current operational conditions.
3. The permittee must submit the following information to DEQ within four (4) years from the original effective date of this permit.

a. Source water physical data. These include:

- (1) A narrative description and scaled drawings showing the physical configuration of the source water body used by your facility, including areal dimensions, depths, salinity, temperature regimes, and other documentation that supports your assessment of the water body;
- (2) Identification and characterization of the source water body's hydrological and geomorphological features, as well as the methods used to conduct any physical studies to determine your intake's area of influence within the water body and the results of such studies; and
- (3) Location maps.

b. Cooling water intake structure data. These include:

- (1) A narrative description of the configuration of your CWIS and where it is located in the water body and in the water column;
- (2) Latitude and longitude in degrees, minutes, and seconds of your CWIS;

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OTHER REQUIREMENTS (continued)

- (3) A narrative description of the operation of your CWIS, including design intake flows, daily hours of operation, number of days of the year in operation and seasonal changes, if applicable;
 - (4) A flow distribution and water balance diagram that includes all sources of water to the facility, recirculating flows, and discharges; and
 - (5) Engineering drawings of the CWIS.
- c. Cooling water system data. The permittee must provide following information for their CWIS.
- (1) A narrative description of the operation of the cooling water system, its relationship to CWIS, the proportion of the design intake flow that is used in the system, the number of days of the year the cooling water system is in operation and seasonal changes in the operation of the system, if applicable; and
 - (2) Design and engineering calculations prepared by a qualified professional and supporting data to support the description required by 3.c.(1) of this section.
- d. Source water biological characterization data. This information is required to characterize the biological community in the vicinity of the CWIS and to characterize the environmental impacts of the CWIS. This supporting information must include existing data (if they are available). However, you may supplement the data using newly conducted field studies if you choose to do so. The information you submit must include:
- (1) A list of species for all life stages of fish and shellfish in the vicinity of your CWIS and their relative abundance (population) in the vicinity of the CWIS;
 - (2) Identification and evaluation of periods of reproduction, larval recruitment, and peak abundance for species in item 3.d.(1) of this section;
 - (3) Data representative of the seasonal and daily activities (e.g., feeding and water column migration) of species in item 3.d.(1) of this section; and

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OTHER REQUIREMENTS (continued)

- (4) Identification of all threatened, endangered, and other protected species that might be susceptible to impingement and entrainment at your CWIS.
- e. Impingement mortality/entrainment characterization assessment. The permittee must provide information to support the determination of the baseline condition and the current impingement mortality and entrainment of all life stages of fish and shellfish referred to in item 3.d. of this section. The information may include historical data that are representative of the current operations of your facility and biological conditions at your site.
- f. If historical data is used, the permittee must provide documentation that the historical data is representative of current operational conditions.
4. A sampling plan is required if actual field studies in the source water body are used to collect biological characteristics data. The sampling plan must document all methods and quality assurance procedures for sampling, and data analysis. The sampling and data analysis methods you propose must be appropriate for a quantitative survey and based on consideration of methods used in other studies performed in the source water body. The sampling plan must include a description of the study area (including the area of influence of the cooling water intake structure and at least 100 meters beyond); taxonomic identification of the sampled or evaluated biological assemblages (including all life stages of fish and shellfish); and sampling and data analysis methods.
5. Source water biological characterization data are not required if the permittee can demonstrate that the facility uses only a closed-cycle recirculating system for withdrawal of all cooling water.
6. The following special definitions apply to this subpart:
 - a. **Baseline conditions** means the impingement mortality and entrainment that would occur at your site assuming that (1) the cooling water system has been designed as a once-through system, (2) the opening of the CWIS is located at, and the face of the standard 3/8-inch mesh traveling screen is oriented parallel to, the shoreline near the surface of the source water body.
 - b. **Closed-cycle recirculating system** means a system designed, using minimized makeup and blow down flows, to withdraw water from a natural or other water source to support contact and/or non-contact cooling uses within a facility. The water is usually sent to a cooling canal or channel, lake, pond, or tower to allow waste heat

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OTHER REQUIREMENTS (continued)

to be dissipated to the atmosphere and then is returned to the system. (Some facilities divert the waste heat to other process operations.) New source water (make-up water) is added to the system to replenish losses that have occurred due to blow down, drift, and evaporation

- c. **Cooling water** means water used for contact or non-contact cooling, including water used for equipment cooling, evaporative cooling tower makeup, and dilution of effluent heat content. The intended use of the cooling water is to absorb waste heat rejected from the process or processes used, or from auxiliary operations on the facility's premises.
- d. **Cooling water intake structure** means the total physical structure and any associated constructed waterways used to withdraw cooling water from waters of the U.S. The cooling water intake structure extends from the point at which water is withdrawn from the surface water source up to, and including, the intake pumps.
- e. **Intake flow** means the value of the total volume of water withdrawn from a source water body over a specific time period.
- f. **Intake velocity** means the value of the average speed at which intake water passes through the open area of the intake screen (or other device) against which organisms might be impinged or through which they might be entrained.
- g. **Entrainment** means the incorporation of all life stages of fish and shellfish with intake water flow entering and passing through a cooling water intake structure and into a cooling water system.
- h. **Hydraulic zone of influence** means that portion of the source water body hydraulically affected by the cooling water intake structure withdrawal of water.
- i. **Impingement** means the entrapment of all life stages of fish and shellfish on the outer part of an intake structure or against a screening device during periods of intake water withdrawal.
- j. **Maximize** means to increase to the greatest amount, extent, or degree reasonably possible.
- k. **Minimize** means to reduce to the smallest amount, extent, or degree reasonably possible.
- l. **Source water** means the water body (waters of the state) from which the cooling water is withdrawn.

(Other Requirements are continued on Part II, Modified Page 3 of 25 from the current LPDES Permit. This permit was previously modified on August 1, 2005.)